

CONSUMER BULLETIN #97-5

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LEARN ALL THE FACTS WHEN SHOPPING FOR TELEPHONE SERVICE

Telephone customers seeking low-cost rates for long-distance calls should ask companies for all their plans' "terms and conditions" before subscribing to any calling plan, according to the Maine Public Utilities Commission.

"All calling plans are designed to make money for the seller. Whether the customer benefits depends on whether the offered plan fits his or her needs," said Commissioner Bill Nugent.

Complaints to the Commission's Consumer Assistance Division indicate that, to avoid unexpected costs, telephone customers should get more information about recurring charges, call restrictions, and call destinations before making their telecommunications purchasing decisions.

A recurring charge is a fixed charge added to each month's bill regardless of the minutes of calling made at the advertised per-minute rate. A recurring charge means that the customer's total cost will be more than the promised per-minute rate. For example, adding a \$3 recurring charge to a plan that offers long-distance calls at 10 cents per minute, a person who uses 20 minutes of calling time (\$2) would pay \$5, or an average calling cost of 25 cents per minute.

"For a person who doesn't do much long distance calling, a plan with a higher per-minute charge but no monthly recurring charge would be a better choice," Nugent said.

Call restrictions determine when the advertised rate is available and when calls will be billed at a higher rate. Often the advertised low rate is restricted to calls at night and on weekends, or the low rate may not apply until a specified minimum number of calling minutes has been used.

Call destination charges are another form of restriction that the customer should understand. Some low long-distance calling rates apply only to interstate calls--that is, those which cross state lines. Intrastate calls, which originate and terminate in Maine, are often billed at a higher rate.

The Maine PUC's Phil Lindley, a specialist in telecommunications matters, warns that even offers of low-cost long-distance rates without changing the primary long-distance carrier (dialing the company's five digit access code) contain the risk of

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unexpected charges. "The carrier might add an 'occasional user' charge, and the call could end up costing far more than the rate charged by the primary carrier," he said.

Information about charges and restrictions is printed on written solicitations. The information usually appears in small print, often far away from the low-rate offer being emphasized. That information is not always volunteered in telephone solicitations for long-distance business.

"Unfortunately, some companies have adopted their own version of 'don't ask, don't tell.' If the customer does not ask, the company won't tell about recurring charges and call time and destination restrictions." Nugent said.

Nugent said the Public Utilities Commission checks all complaints it receives and takes action when there is evidence of fraud, deception, or violation of Commission rules. In extreme cases, a long-distance carrier might be required to surrender its certificate and stop doing business in Maine. "But nothing," he said, "better protects the consumer than asking for and getting all the needed information to decide what calling plan best suits an individual's needs."

For more information or to register a complaint with the Commission call the "Hotline" at 1-800-452-4699.

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